

June 17<sup>th</sup>, 2022  
Volume 239, Issue 1036  
Week 24

QUOTE  
of the  
WEEK

**“Talent wins games, but teamwork and intelligence win championships.”**

– Michael Jordan

## Highlights:

- Breather.
- Few candidates.
- Currency woes.
- Trading chances.
- Tough on LCs.

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## MARKET COMMENTARY

### SUMMER STASIS!

Following the recent drastic falls - which have seen almost USD 100/LDT wiped off prices – the ship recycling industry in the Indian sub-continent seems to be taking a bit of a pause, as End Buyers remain less than confident to offer any firm prices with certainty.

Adding to the frustration is the minimal number of candidates currently available to work on, such is the bullish state of all freight sectors. Accordingly, we may see a prolonged summer / monsoon lull across all sub-continent recycling locations.

On the West end, Turkey is far worse off with its plummeting steel plate prices (both import and local) and a currency that has shaken the local market to a standstill, with no new arrivals or even news of fresh deals as local offerings are firmly below the USD 300/MT mark.

As such, given the state of global currencies, which continue to depreciate alarmingly against the U.S. Dollar, in addition to soaring inflation, it would not be surprising to see minimal or virtually NO deals concluded to End Buyers for the next few months.

Indeed, even those vessels sold to Cash Buyers at recycling equivalent prices today are seeing previously unthinkable trading opportunities at fantastic levels, and those older assets are now being passed through drydock - so firm are chartering rates at present.

This is (inevitably and expectedly) leading to pent up demand for recycling units as most plots are increasingly turning dormant and are in dire need to acquire vessels in order to fulfil L/C limits with banks.

Local banks are also becoming tougher on granting fresh L/Cs (particularly for larger LDT vessels) and this is leading to End Buyers having to put up larger securities in order to obtain the necessary financing for new units.

For week 24 of 2022, GMS demo rankings / pricing for the week are as below.

Demo Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Weak	610 / LDT	620 / LDT	630 / LDT
2	Bangladesh	Weak	600 / LDT	610 / LDT	620 / LDT
3	Pakistan	Weak	590 / LDT	600 / LDT	610 / LDT
4	Turkey	Weak	270 / LDT	280 / LDT	290 / LDT

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## BANGLADESH

### DOLDRUMS!

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*Few serious signs.*

Bangladeshi Buyers have been in the doldrums for several months now, and despite the lacklustre performance from the one-time market leaders, are displaying no signs of emerging to the bidding tables any time soon.

Local Recyclers have now seen a significant amount of tonnage diverted to a competing India and even Pakistan, as candidates increasingly start to dry up, which is likely to lead to an extremely bleak summer / monsoon while plots start to empty. Evidence of this is clearly present in the bare minimum number of units at anchorage.

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*Unjustified panic.*

On the fundamentals front, local steel plate prices cruised down about USD 10/Ton through the week and just like all international markets, the currency continues to take a beating as the Bangladeshi Taka has also been on the wane against the U.S. Dollar, breaching a record BDT 90, only to settle back down towards BDT 85.

As such, while the overall decline seems to be slowing down, it would seem that much of the alarm and panic emanating from Chattogram seems to be somewhat unjustified at this time.

## INDIA

### FOLLOWING DOWN!

India has followed both Pakistan & Bangladeshi markets down as Alang Recyclers continue to talk extremely low and clearly opportunistic numbers, despite the paucity of recycling candidates available and in the hopes of securing a bargain or two.

Most Vessel Owners and Cash Buyers appear happy to continue trading their older assets (even passing surveys on vessels aged 20 years and older) and in the most extreme cases, choosing to lay up their unsold inventory, in the hopes of market improvements ahead.

Steel plate prices have been enduring daily fluctuations of late and this week, the drop mirrored Bangladesh with a nearly USD 10/Ton decline. Meanwhile, the currency depreciated past the psychologically worrying rate in excess of Rs. 78 against the U.S. Dollar, but strengthened back to levels in the high Rs. 77s.

Overall, just like Bangladesh, there are signs we may have reached bottom in India and the only way now from here is up.

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*Hoping for bargains.*

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*Bottom reached?*

## PAKISTAN

### NO HOPE!

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*Appalling performance.*

As the lowest placed sub-continent market, there is little hope of Pakistan securing tonnage any time soon, particularly with some of the appalling performances recently witnessed on various vessel deliveries at Gadani.

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*Cool heads needed.*

There seems to be endless talk of panic and confusion in Pakistan after the recent collapse of the currency to a record low against the U.S. Dollar (breaching the coveted PKR 207 and on its way towards PKR 208), local steel plate prices that are still displaying their share of volatility (with a near USD 25/Ton decline through mid-week and a minor recovery thereafter), and domestic political problems with the ousting of Prime Minister Imran Khan.

As inflation and currency depreciations are presently impacting all areas of the world, so some perspective and cooler heads are needed, in order to restore confidence and demand in a Gadani market which appears far too unnecessarily shaken at present.

## TURKEY

### ABYSS?

Turkey seems to be tumbling into a dark abyss that's dragging vessel prices down, as all types of units are now fetching firmly below the USD 300/MT mark. This is quite the staggering plummet when levels close to USD 500/MT were on the table just a few weeks ago.

A nearly USD 200/MT plummet in about a month is quite noteworthy and those Owners who have managed to snag the highest levels in Turkey's recycling history, certainly have themselves to pat on the back to snag a piece of the record pie. But to those who have privately committed units that are yet to be delivered or those even looking to commit units, are collectively wary about the future of their deliveries.

Making matters worse are fundamentals that are still in freefall, as local steel plate prices plummeted USD 30/Ton as import followed suit, with a marginally higher USD 35/Ton fall. Even the Lira has peaked at a record TRY 17.3X against the U.S. Dollar, leaving local sentiments in shambles.

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*Below 300*

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*In shambles.*

## AMAZING FACTS

- *Octopuses have three hearts.*
- *Cows don't actually have four stomachs; they have one stomach with four compartments.*
- *The platypus doesn't have a stomach at all: Their esophagus goes straight to their intestines.*
- *This is one animal myth that's true: Eating parts of a pufferfish can kill you because, in a defense mechanism to ward off predators, it contains a deadly chemical called tetrodotoxin. There's enough in one pufferfish to kill 30 people—and there's no antidote. Still, pufferfish, called fugu, is a highly-prized delicacy in Japan, but can only be prepared by well-trained chefs.*
- *Polar bears have black skin. And actually, their fur isn't white—it's see-through, so it appears white as it reflects light.*
- *Tigers' skin is actually striped, just like their fur. Also, no two fur patterns are alike.*
- *Flamingoes are only pink because of chemicals called carotenoids in the algae and fish (which also eat the algae) they eat; their feathers are grayish white when they're born.*
- *Mosquitoes are the deadliest animal in the world: They kill more people than any other creature, due to the diseases they carry.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
No holidays in June	June 11 – June 20 June 25 – July 04

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
No holidays in June	June 13 – June 16 June 29 – July 02

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
June 03 – June 05 – Dragon Boat Festival	No holidays in June	No holidays in June

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## ALANG - Port Position as of June 17, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Izabela	1,687	Oil Tanker	Beached June 11
2	Jarvis	2,046	Supply Tug	Beached June 16
3	Odin	15,285	Passenger Vessel	Arrived June 03
4	Rich	7,199	RoRo	Arrived June 14
<b>Total Tonnage</b>		<b>26,216</b>		

## CHATTOGRAM - Port Position as of June 17, 2022

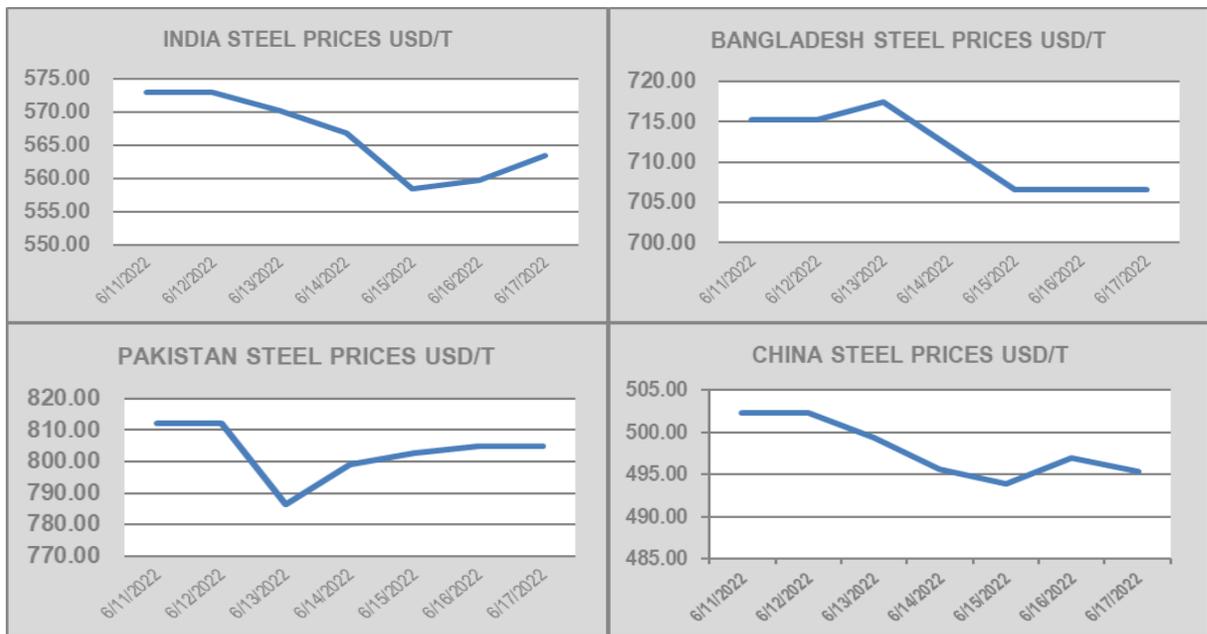
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Gala	16,885	Tanker	Arrived February 28
2	Ion	16,640	Tanker	Beached June 17
3	Mary the Queen (Under Tow)	6,479	RoRo / Cargo	Beached June 15
4	Super Shuttle RoRo 3 (Under Tow)	5,078	Vehicles Carrier	Beached June 15
6	Thanos	2,362	Offshore Tug	Beached June 14
<b>Total Tonnage</b>		<b>47,443</b>		

## GADANI - Port Position as of June 17, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Admarine 100	8,763	Tanker	Arrived June 06
2	Fortune	3,500	Tanker	Arrived June 12
3	Westin	3,803	Tanker	Beached June 11
<b>Total Tonnage</b>		<b>16,066</b>		

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DATE	INDIA STEEL PRICES USD/T	INDIA STEEL PRICES	PAKISTAN STEEL PRICES USD/T	PAKISTAN STEEL PRICES	BANGLADESH STEEL PRICES USD/T	BANGLADESH STEEL PRICES	CHINA STEEL PRICES USD/T
6/11/2022	572.97	44,600.00	812.31	161,000.00	715.22	65,800.00	502.28
6/12/2022	572.97	44,600.00	812.31	161,000.00	715.22	65,800.00	502.28
6/13/2022	570.22	44,500.00	786.32	161,000.00	717.39	66,000.00	499.39
6/14/2022	566.81	44,200.00	799.03	165,000.00	711.96	65,500.00	495.69
6/15/2022	558.47	43,600.00	802.88	167,000.00	706.52	65,000.00	493.94
6/16/2022	559.75	43,700.00	804.82	167,000.00	706.52	65,000.00	497.03
6/17/2022	563.52	44,000.00	804.82	167,000.00	706.52	65,000.00	495.35



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